

line segment which does not extend outside the periphery,

said bore having a portion outboard of said retaining member
defining a bit-receiving socket.

REMARKS

This Amendment is in response to the Office Action dated October 21, 1999. Reconsideration of the rejected claims in view of this Amendment is respectfully asked.

A supplemental reissue declaration pursuant to 37 CFR \$1.175(b)(1) will be submitted when the application is otherwise in condition for allowance.

Submitted herewith is a certified copy of the Amended Letters of Special Administration, appointing Daniel Garramone as a legal representative of the deceased inventor, Frank Mikic. This constitutes the proof of authority of Mr. Garramone as legal representative for Mr. Mikic.

It is noted, with appreciation, that claims 1-14 have been allowed.

Claim 22 is rejected under 35 U.S.C. \$251 as being based upon new matter, and under 35 U.S.C. \$112 as containing subject matter not adequately described in the specification. Both rejections are directed to the claim language "continuous, closed, non-reentry outer periphery."

By this amendment, the above-quoted passage is deleted and there is added in lieu thereof the following language:

"said retaining member having a continuous outer periphery such that any two points on the periphery can be joined by a straight line segment which does not extend outside the periphery."

It is submitted that all of this amended language is clear and definite and has well understood meanings.

The added phase is fully supported by the disclosure of the patent (see Fig. 3), and was approved in copending application serial no. 09/109,392, filed July 2, 1998, which has the same disclosure.

By reason of this amendment, the status of the claims now is:

Patent claims 1-14 are unchanged and stand allowed;

Claims 15-21 were added by this reissue application and stand rejected on a ground which is believed to be overcome herein; and

Claim 22, added in this reissue application, is amended herein.

Claims 15-22 are rejected under 35 U.S.C. §251 as being an improper recapture of broadened claimed subject matter surrendered in the application for the patent sought to be reissued by the present application. In particular, the examiner contends that the limitations "retaining member being generally bowl-shaped and convex toward said magnet" and "said retaining member and said inner end surface cooperating to retain said magnet therebetween" have been added to and/or argued with respect to patent claims 1

and 11 to overcome rejections, but have been omitted from claims 15-22. In support of the rejection, the examiner cites *Hester Industries, Inc. v. Stein, Inc.*, 142 F.3d 1472, 46 USPQ2d 1641 (Fed. Cir. 1998); *In re Clement*, 131 F.3d 1464, 45 USPQ2d 1161 (Fed. Cir. 1997); *Ball Corp. v. United States*, 729 F.2d 1429, 221 USPQ 289, 295 (Fed Cir. 1984). The rejection is respectfully traversed.

The cited cases set forth the applicable legal principles, but it is respectfully submitted that they have not been properly applied to the facts of the instant case. Fundamentally, the presence of the challenged limitations in the patent claims 1 and 11 does not represent the surrender of any subject matter by applicants and, therefore, there can be no "recapture" of such subject matter.

The "Bowl-Shaped" Limitation

As was pointed out by the CAFC in the *Clement* case:

"Deliberately canceling or amending a claim in an effort to overcome a reference strongly suggests that the applicant admits that the scope of the claim before the cancellation or amendment is unpatentable, **but it is not dispositive because other evidence in the prosecution history may indicate the contrary.**" (Emphasis added) (45 USPQ2d at 1164).

As an example of such "other evidence," the court cited the situation where an applicant amends a broad claim in an effort to distinguish a reference and obtain allowance, but promptly files a continuation application to continue to traverse the prior art

rejection (45 USPQ2d at 1164, n.2). That is precisely what happened in this case. In the original application, the limitation of "retaining member being generally bowl-shaped and convex toward said magnet" was originally presented in a dependent claim 6, which was not rejected on the basis of the prior art, indicating that that subject matter was allowable. Accordingly, applicants added that subject matter to the rejected independent claims, which became claims 1 and 11 of the patent. But this did not constitute a surrender of the subject matter of retainers having a different shape, since applicants promptly filed a divisional application (serial No. 593,396, now U.S. patent no. 5,603,248), presenting claims which omitted that limitation. Thus, applicants simply took the allowable subject matter in the original application and then continued to prosecute the broader claims in another application. There was never any surrender of retainers which were not bowl-shaped and convex towards the magnet. Thus, there can be no question of "recapture" of such subject matter under the holding of the *Clement* case.

The "Cooperating to Retain" Limitation

Here, again, a careful analysis of the facts belies the presence of any recapture issue. The limitation of a retaining member cooperating with the inner end surface of the bore to retain the magnet therebetween was presented in dependent claims 4 and 17 in the original application. Those claims were rejected on the

basis of the same art as the independent claims from which they depended in the first Office Action. In their amendment "A," applicants added to the independent claims 1 and 15 the following language:

"said retaining structure including a discrete retaining member friction fitted in said bore outboard of said magnet, said retaining member and said inner end surface cooperating to retain said magnet therebetween."

The second clause of the added language is the limitation in issue from dependent claims 4 and 17, but the first clause recites limitations not previously in the claims, viz., that the retaining structure includes a "discrete" retaining member which is "friction fitted" in the bore. It is these latter limitations which were argued at page 5 of the amendment to distinguish over the cited art. The limitation that the "retaining member and said end surface cooperating to retain said magnet therebetween" could not have been relied upon to overcome the rejection, since claims incorporating that limitation were already subject to the same rejection. Indeed, except for the "discrete" and "friction fitted" language, amended claim 15 was simply an independent version of original dependent claim 17. The limitation was added to the independent claims to make clear how a "discrete," "friction fitted" retainer could retain the magnet in place. Since the limitation "retaining member and said inner end surface cooperating to retain said magnet therebetween" was never relied upon to

overcome the prior art rejection, it did not occasion the surrender of any subject matter.

Claims 15-22 Are Materially
Narrower Than Any Claim
in the Original Application

In the *Ball* case, the CAFC held that:

"The recapture rule bars the patentee from acquiring, through reissue, claims that are of the *same* or of *broader scope* than those claims that were canceled from the original application. (emphasis in original) (221 USPQ at 295)."

As was pointed out in all of the cases cited by the examiner, the recapture rule does not apply when the reissue claims are narrower in a material respect than the canceled claims, even though they may be broader in other respects (221 USPQ at 295-296; 45 USPQ2d at 1165 and 46 USPQ2d at 1649-1650). As was stated by the court in the *Clement* case:

"if the reissue claim is narrower in an aspect germane to prior art rejection, and broader in an aspect unrelated to the rejection, the recapture rule does not bar the claim...." (45 USPQ2d at 1165).

That is exactly the situation in the present case.

Comparing claim 15 with claim 1 of the original application, claim 15 is broader in that it lacks the limitations that the body is "cylindrical" that the bore is "axial" and "terminating in an inner end surface," that the magnet is "permanent," that the retaining structure is "in contact with" the magnet and that the bit-receiving socket is "non-circular" in transverse cross section.

None of these aspects is germane to the prior art rejection, i.e., none serves to distinguish over the prior art. This is apparent, since original claim 1 was rejected on the basis of the prior art and none of the above-listed features was ever relied upon to distinguish over the prior art.

However, claim 15 is narrower than claim 1 of the original application in a significant respect, in that it specifies that the retaining member is "substantially covering said outer surface of said magnet." This limitation is germane to the prior art rejection on the basis of the Parsons et al. patent no. 4,663,998 in that it is necessary to distinguish from that reference, which discloses a split-ring retainer. Thus, claim 15 is not of the same or broader¹ scope than claims canceled from the original application, but is rather narrower in scope in a material respect. Thus, for this reason also, applicants have not attempted to recapture previously surrendered subject matter.

For all of the foregoing reasons, it is submitted that the rejection of claims 15-22 under 35 U.S.C. § 251 is in error and reconsideration and withdrawal thereof is respectfully asked.

¹ Note that in the *Ball* case, the CAFC specifically held that the principle that a reissue claim broader in any respect than the original patent claims is broader, even though it may be narrower in other respects, which is applied for determining applicability of the 2-year limitation for broadened reissues, is not applicable relative to the recapture rule (221 USPQ at 295-296).

In view of the foregoing, it is believed that, as amended herein, each of the claims 1-22 is now in condition for allowance and the allowance thereof is respectfully asked.

Respectfully submitted,

Emrich & Dithmar
Attorneys for Assignee
Suite 3000
300 South Wacker Drive
Chicago, Illinois 60606
Telephone: 312-663-9800

By: 